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PRIVATE LANDS: GATEWAY TO INCREASED RESOURCES

You know that forestry is my background, yet it cannot automatically be assumed that I am able to perceive the forest in spite of the trees and vice versa. Since I come from Washington, I am automatically suspect. And rightly so.

There are many of us who deal with problems at a national level who forget from time to time that the national "forest" of problems is made up of millions of individual problems across the country. When I was in extension forestry in Michigan, though, I saw problems from the opposite direction.

Today I'd like to discuss nonindustrial private forests from both points of view.

For instance, we know that more than half of the commercial forest land in the United States is owned by an estimated 4 million nonindustrial private forest landowners. We know also that these owners harvest 38 percent of our softwood and 76 percent of our hardwood. Beyond that, their lands provide habitat for much of the wildlife in America, serve as important watersheds, support substantial livestock herds and provide recreational opportunities for millions of people.

Equally important, these 4 million landowners may hold the key to our forestry reserves for the future. They are important. Everyone agrees.

As President Carter has observed, one of the greatest challenges remaining to American forestry is to improve the condition and production of small private forest holdings.

Remarks by Dr. M. Rupert Cutler, Assistant Secretary of Agriculture for Conservation, Research, and Education, before a meeting of the Society of American Foresters in St. Louis, Mo. on Wednesday, Oct. 25, 1978 at 3:30 p.m. CDT.

That's the overall scene--the forest, so to speak, rather than the individual trees.

Now let's look at the trees.

The representative individual owner of nonindustrial private forest land is not all that enthused about, nor capable of assuming, such an important role in the management of our forestry resources. He's got problems--money problems, usually.

In the board rooms, they'd say he risks earning a return that is too low for his investment. Out in his woodlot, the owner might pause for a moment to consider some changes which would increase the value of his forest resources, then shrug and declare they just weren't worth the trouble or the money.

There are other problems for the landowner, as we told the President in our report to him on the Federal role in the conservation and management of private nonindustrial forest lands.

Other factors which discourage investments in conservation and management, we said, include:

- higher interest costs on borrowed or invested money than can be recovered from investments in forestry,
- unacceptable time lags between investment and returns,
- lack of liquidity of forestry investments for an unacceptably long time,
- risk of losses to fires, insects, diseases, or trespasses that cannot be accepted or insured against,
- burdensome tax laws regarding forest management activities,
- difficulty in finding equipment and training workers for jobs such as tree planting or timber stand improvement, and
- high management costs and market disadvantages because of the relatively small acreages held by these owners.

Lack of information on forestry practices also is cited as a problem.

"Even when owners are aware of harvest opportunities, it is not at all clear that they have sufficient market information to command competitive

prices for their timber or that they are well informed about forestry opportunities other than harvesting," we told the President.

Also an important problem on these ownerships is the preponderance of hardwoods they contain--typically of sizes, species, and qualities for which there is little market demand.

So, now we have taken a look at both the forest and the trees--both the national scene and the problems facing individual landowners.

I suggest that the actions we take to solve both the national need for timber and other forest products and services and the individual's need for incentives must be taken at both levels. We can help the nation at the same time we are helping the individual. Indeed, helping the individual can be the means to help the nation.

Let me explain.

We need much more specific information about the actual condition of small private forest lands, and about current management practices and problems on these lands. While I have directed the Forest Service and Soil Conservation Service to collect and analyze this vital information, I'm also aware that we need new ideas and approaches.

We know that "business as usual" will not get the job done. Yet the direct allocation of Federal resources for this job will have to compete with other national needs, for executive branch and legislative branch approval.

The President has asked Federal agencies to take a 2 percent cut in personnel for Fiscal Year 1980 as part of an effort to balance the budget by 1982. "Propositon 13" type efforts continue to reduce State and local budgets. Even though we resource managers know short-term natural resource management policies are unsatisfactory, realistically we must expect difficulty in convincing taxpayers and budgeters to make long-term investments in private-land forestry assistance.

If we are to continue to make progress, we must have the best in

information--both objective data and professional recommendations as to where we go from here. Good data should help achieve better agreement among professionals as to management objectives. Effective programs will require close cooperation between private owners, citizen organizations, State and local governments, and Federal agencies.

But even with limited dollars and manpower, we intend to move aggressively to aid private landowners and States to achieve these objectives.

--I have strengthened our extension efforts in forestry by creating a new federal extension program area for natural resources, co-equal with the extension program for agriculture and by appointing a forester to head that program staff.

--Six USDA agencies and five concurring national and State associations have entered into an interagency forestry agreement to improve program coordination. The Forest Service and the Soil Conservation Service have signed an agreement with the Department of the Interior's Bureau of Land Management and Fish and Wildlife Service to improve coordination in gathering and interpreting resource data.

--I am directing the Forest Service, in cooperation with other USDA agencies, State foresters, the Environmental Protection Agency, and the private sector, to develop regional demonstration environmental forests to show landowners the best in sound forest land practices. One illustration of a cooperative effort to show good forest practices is taking place on Continental Land Corporation's lands in Florida. The Forest Service, the University of Florida, the Environmental Protection Agency, the industry and landowners are working together to monitor changes in water quality and wild-life habitats resulting from management of slash pine.

--More States are taking positive steps to boost private-land forest management. We need an appraisal of those efforts. I will direct that such an evaluation be conducted during the next year.

--I also am directing USDA agencies, in their review of other agency

environmental impact statements, to pay special attention to the effects of proposed actions on prime forest land. The USDA will advocate protection of these lands, as well as the protection of prime and other important farmlands from encroachment by urban and other uses.

SCS in the next 3 years will do important farmlands maps for 1,300 counties that face the most rapid land-use changes.

—The department also has adopted regulations for the rural clean water program under the Clean Water Act of 1977. These regulations are designed to aid thousands of landowners in placing conservation improvements on the land in high priority places where they will help improve water quality.

The Congress, as you know, has recently passed very important resource legislation. Yet, we need new policies and approaches which will provide further incentives to the nonindustrial private forest landowner.

We all know the economic risks in using forest land. These risks discourage investments.

The Administration has proposed a voluntary insurance program designed to assist producers of agricultural and forest products to protect themselves against losses from natural or uncontrollable conditions. A bill to achieve this died in the Congress this year.

We intend to work aggressively for the passage of this legislation in the next Congress.

Another deterrent to private forest investments is the typical timber crop rotation period which ties up the landowner's capital investment for several decades. Legislation to establish a program of insured or guaranteed loans that will provide annual payments to eligible landowners has been introduced. If passed and implemented, the landowner would receive payment for his forestry investment in his or her own lifetime.

The insurance coverage and an annual payment loan program could provide more landowner incentive.

Another problem in parts of the country is the inability of some land-owners to carry out sound forestry practices. They simply lack the technical skill, and often there's no professional nearby to hire. We have discussed this problem with National Association of Conservation Districts officials, and they have assured us of their willingness to work with us and State Foresters to address this problem.

At the same time we are working with the Council of State Governments to review State and local taxation of timberlands.

Everyone's help is needed. The Federal government cannot solve private land forest problems alone--even if we had the money to try, which we don't.

Improved markets would help, especially if combined with proper education and technical advice on forest management. For example, we harvest only half of the hardwoods we are growing. The principal issue in this area may be product development and markets to utilize hardwoods effectively. Such markets also could discourage conversion of hardwood forests to softwood stands. This would have ecological and wildlife pluses.

The Forest Service is giving special attention to the hardwood situation.

Another market opportunity for wood--especially low-value wood--is as an energy source.

There is a rapidly expanding interest in wood as a direct home heating fuel and as an industrial fuel. This certainly will impact on private forest lands. Direct benefits would include fossil fuel savings and enhancement of local economies, as well as promotion of better forest management.

We are working closely with the Department of Energy and others on a variety of proposals relating to wood or biomass conversion as a

source of energy. Not to get caught short in this emerging new technology, we are working with the Environmental Protection Agency to help ensure that environmental consequences of biomass conversion are identified and dealt with before they become serious problems.

The bottom line of any natural resource program is to see that sound conservation is practiced on the land. By this, I mean that management will:

- Insure long-term protection of the natural resource base;
- Prevent and control air and water pollution;
- Manage pests by environmentally sound methods;
- Improve and maintain fish and wildlife habitats, particularly those that are critical for threatened and endangered species;
- Protect esthetic quality and outdoor recreation values; and
- Improve and maintain the productive capability of land to meet the Nation's need for wood.

Across the board, we must improve program evaluation. I have directed the Forest Service to develop new and better ways of determining on-the-ground results of forestry programs.

Through my personal direction, our new research, extension and technical information agency--the Science and Education Administration (SEA)--is working closely with the Forest Service to insure the high quality of our forestry research--including that conducted on college campuses--and the prompt transfer of this information through Extension educational programs and technical assistance. We are trying to provide better assistance and delivery of services to landowners.

Never has there been such interest in the State and private forests. There is healthy criticism of our programs, such as that which has appeared recently in the Journal of Forestry. Such criticism is extremely helpful.

I have described here some of the actions I am taking. But these are not enough. As I said earlier, we need to know precisely what the problems and opportunities for management of nonindustrial private forest landowners are in given areas and regions. We need new ideas and strategies to deal with these problems.

Therefore, I have directed the Forest Service to take the lead in arranging regional workshops in 1979 to identify regional problems and to determine alternative solutions in the field of nonindustrial private forestry.

Additionally, next winter, I will bring together a small group to "brainstorm" new approaches.

I look forward to the Society of American Foresters' involvement in these efforts, and I promise the continued leadership of USDA in helping nonindustrial private forest lands contribute to meeting both their owners' objectives and the Nation's needs.

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